

**SELF-FUNDED HEALTH PLANS  
2nd Quarter 2008 Results**

**Gain/Loss by Plan (\$000)**

Plan	2006 Year	2007 Year	Jan - Jun 2007	Jan - Jun 2008
Care Basic	\$10,112	\$26,166	\$21,084	(\$2,304)
Care Supplemental	(\$8,684)	(\$6,558)	(\$5,171)	\$410
Choice Basic	\$18,221	\$65,804	\$46,973	\$37,343
Choice Supplemental	(\$139)	\$1,986	(\$584)	(\$2,363)
Select Basic	N/A	N/A	NA	\$982
Select Supplemental	N/A	N/A	NA	(\$20)
<i>All Plans Total</i>	\$19,510	\$87,398	\$62,302	\$34,047

**Incurred Loss Ratio**

	2006 Year	2007 Year	Jan - Jun 2007	Jan - Jun 2008
Care Basic	94%	85%	79%	103%
Care Supplemental	104%	103%	105%	100%
Choice Basic	98%	93%	90%	93%
Choice Supplemental	100%	98%	101%	104%
Select Basic	N/A	N/A	NA	89%
Select Supplemental	N/A	N/A	NA	112%
<i>All Plans Total</i>	98%	94%	92%	96%

Incurred loss ratios illustrate each plan's operating margin. A 100% ratio is equal to break-even. Values above 100% indicate a premium loss.

**Rolling 12 Month Trend**

**MEDICAL**

	2006 Year	2007 Year	June 2007	June 2008
Care Basic	4.5%	8.0%	5.8%	12.7%
Care Supplemental	5.8%	4.7%	5.5%	2.7%
Choice Basic	9.9%	9.0%	8.8%	8.1%
Choice Supplemental	1.6%	4.1%	1.4%	3.2%
Select Basic	N/A	N/A	N/A	N/A
Select Supplemental	N/A	N/A	N/A	N/A

**PHARMACY**

	2006 Year	2007 Year	June 2007	June 2008
Care Basic	8.9%	1.2%	0.7%	6.8%
Care Supplemental	8.6%	1.9%	0.3%	6.2%
Choice Basic	9.4%	5.7%	4.1%	7.0%
Choice Supplemental	5.3%	0.6%	-2.7%	5.5%
Select Basic	N/A	N/A	N/A	N/A
Select Supplemental	N/A	N/A	N/A	N/A

12 month trends illustrate the movement that has occurred during the preceeding twelve months.

**SELF- FUNDED HEALTH PLANS  
PER-MEMBER PER-MONTH COSTS  
as of June 30, 2008**

**\* Medical Claims per Member per Month**

	<b>Care Basic</b>	<b>Care Supp</b>	<b>Choice Basic</b>	<b>Choice Supp</b>	<b>Select Basic</b>	<b>Select Supp</b>
<b>2nd Quarter 2007</b>	\$446.78	\$134.57	\$255.52	\$107.92	N/A	N/A
<b>3rd Quarter 2007</b>	\$467.07	\$134.14	\$255.68	\$103.85	N/A	N/A
<b>4th Quarter 2007</b>	\$466.82	\$126.15	\$271.92	\$99.71	N/A	N/A
<b>1st Quarter 2008</b>	\$502.92	\$162.19	\$246.23	\$127.65	\$306.94	\$127.18
<b>2nd Quarter 2008</b>	\$505.74	\$141.59	\$281.20	\$110.69	\$203.94	\$105.26

**\* Pharmacy Claims per Member per Month**

	<b>Care Basic</b>	<b>Care Supp</b>	<b>Choice Basic</b>	<b>Choice Supp</b>	<b>Select Basic</b>	<b>Select Supp</b>
<b>2nd Quarter 2007</b>	\$136.91	\$211.58	\$78.01	\$196.83	N/A	N/A
<b>3rd Quarter 2007</b>	\$138.86	\$211.85	\$77.30	\$196.56	N/A	N/A
<b>4th Quarter 2007</b>	\$139.22	\$215.44	\$79.00	\$196.49	N/A	N/A
<b>1st Quarter 2008</b>	\$146.13	\$221.62	\$80.97	\$204.33	\$50.66	\$196.55
<b>2nd Quarter 2008</b>	\$147.18	\$224.76	\$81.98	\$207.42	\$50.49	\$198.61

**\*Total Claims per Member per Month**

	<b>Care Basic</b>	<b>Care Supp</b>	<b>Choice Basic</b>	<b>Choice Supp</b>	<b>Select Basic</b>	<b>Select Supp</b>
<b>2nd Quarter 2007</b>	\$583.69	\$346.15	\$333.53	\$304.75	N/A	N/A
<b>3rd Quarter 2007</b>	\$605.93	\$345.99	\$332.98	\$300.40	N/A	N/A
<b>4th Quarter 2007</b>	\$606.04	\$341.59	\$350.92	\$296.20	N/A	N/A
<b>1st Quarter 2008</b>	\$649.05	\$383.81	\$327.20	\$331.98	\$357.60	\$323.73
<b>2nd Quarter 2008</b>	\$652.93	\$366.35	\$363.18	\$318.11	\$254.43	\$303.87

\* Prior quarters are updated for each report as actual claims runoff is realized.

\* Pharmacy costs exclude rebates.

**SELF-FUNDED HEALTH PLANS**  
**Financial Values By Plan**  
**as of June 30, 2008**

		<b>PERS Care</b>	
	<b>Basic</b>	<b>Supp</b>	<b>Total</b>
1	Actuarial Assets 03/31/08	\$140,340,867	\$262,296,064
2	Asset Change 2nd Q 2008	<u>(\$590,496)</u>	<u>\$10,530,559</u>
3	Actuarial Assets 06/30/08	\$139,750,371	\$272,826,623
4	Actuarial Reserve 03/31/08	\$45,151,000	\$103,880,000
5	Actuarial Reserve 06/30/08	\$44,397,000	\$100,783,000
6	Assets Less Reserves 06/30/08	\$95,353,371	\$172,043,623
		<b>PERS Choice</b>	
	<b>Basic</b>	<b>Supp</b>	<b>Total</b>
7	Actuarial Assets 03/31/08	\$440,341,181	\$482,742,964
8	Asset Change 2nd Q 2008	<u>\$22,219,962</u>	<u>\$27,800,688</u>
9	Actuarial Assets 06/30/08	\$462,561,142	\$510,543,651
10	Actuarial Reserve 03/31/08	\$246,489,000	\$275,104,000
11	Actuarial Reserve 06/30/08	\$234,103,000	\$263,788,000
12	Assets Less Reserves 06/30/08	\$228,458,142	\$246,755,651
		<b>PERS Select</b>	
	<b>Basic</b>	<b>Supp</b>	<b>Total</b>
13	Actuarial Assets 03/31/08	\$2,321,064	\$2,334,663
14	Asset Change 2nd Q 2008	<u>\$1,403,951</u>	<u>\$1,427,085</u>
15	Actuarial Assets 06/30/08	\$3,725,015	\$3,761,748
16	Actuarial Reserve 03/31/08	\$4,215,000	\$4,307,000
17	Actuarial Reserve 06/30/08	\$4,378,000	\$4,467,000
18	Assets Less Reserves 06/30/08	(\$652,985)	(\$705,252)
		<b>Total Program</b>	
	<b>Basic</b>	<b>Supp</b>	<b>Total</b>
19	Actuarial Assets 03/31/08	\$583,003,112	\$747,373,691
20	Asset Change 2nd Q 2008	\$23,033,416	<u>\$39,758,331</u>
21	Actuarial Assets 06/30/08	\$606,036,528	<u>\$787,132,022</u>
22	Actuarial Reserve 03/31/08	\$295,855,000	<u>\$383,291,000</u>
23	Actuarial Reserve 06/30/08	\$282,878,000	<u>\$369,038,000</u>
24	Assets Less Reserves 06/30/08	\$323,158,528	<u>\$418,094,022</u>

**SELF-FUNDED HEALTH PLANS**  
**Relationship of Plan Assets to the Actuarial Reserve\***  
**as of June 30, 2008**

	<b>Basic</b>	<b>PERS Care Supp</b>	<b>Total</b>
<b>Assets 06/30/2008</b>	\$139,750,371	\$133,076,252	\$272,826,623
<b>Actuarial Reserve 06/30/2008</b>	\$44,397,000	\$56,386,000	\$100,783,000
<b>Assets Above Actuarial Reserve</b>	\$95,353,371	\$76,690,252	\$172,043,623
<b>Ratio of Assets to the Actuarial Reserve</b>	315%	236%	271%

	<b>Basic</b>	<b>PERS Choice Supp</b>	<b>Total</b>
<b>Assets 06/30/2008</b>	\$462,561,142	\$47,982,509	\$510,543,651
<b>Actuarial Reserve 06/30/2008</b>	\$234,103,000	\$29,685,000	\$263,788,000
<b>Assets Above Actuarial Reserve</b>	\$228,458,142	\$18,297,509	\$246,755,651
<b>Ratio of Assets to the Actuarial Reserve</b>	198%	162%	194%

	<b>Basic</b>	<b>PERS Select Supp</b>	<b>Total</b>
<b>Assets 06/30/2008</b>	\$3,725,015	\$36,733	\$3,761,748
<b>Actuarial Reserve 06/30/2008</b>	\$4,378,000	\$89,000	\$4,467,000
<b>Assets Above Actuarial Reserve</b>	(\$652,985)	(\$52,267)	(\$705,252)
<b>Ratio of Assets to the Actuarial Reserve</b>	85%	41%	84%

	<b>Total Self-Funded Program</b>		<b>Total</b>
	<b>Basic</b>	<b>Supp</b>	
<b>Assets 06/30/2008</b>	\$606,036,528	\$181,095,494	\$787,132,022
<b>Actuarial Reserve 06/30/2008</b>	\$282,878,000	\$86,160,000	\$369,038,000
<b>Assets Above Actuarial Reserve</b>	\$323,158,528	\$94,935,494	\$418,094,022
<b>Ratio of Assets to the Actuarial Reserve</b>	214%	210%	213%

\* The Actuarial Reserve equals the Incurred But Not Reported (IBNR) reserve (without a contingency load) plus the Risk Based Capital Reserve (RBC) set at a 300% level.

**SELF-FUNDED HEALTH PLANS**  
**Enrollment Comparison for 2007 and 2008**  
**as of June 30, 2008**

**Membership for 2007:**

<b>Members</b>	<b>Care Basic</b>	<b>Care Supp</b>	<b>Choice Basic</b>	<b>Choice Supp</b>	<b>Select Basic</b>	<b>Select Supp</b>	<b>Total</b>
<b>Jan-07</b>	22,349	51,403	208,535	26,994	0	0	309,281
<b>Feb-07</b>	22,173	51,300	205,708	27,339	0	0	306,520
<b>Mar-07</b>	21,996	51,193	208,754	27,584	0	0	309,527
<b>Apr-07</b>	21,898	51,105	208,843	27,830	0	0	309,676
<b>May-07</b>	21,826	51,008	205,487	28,020	0	0	306,341
<b>Jun-07</b>	21,690	50,891	205,818	28,229	0	0	306,628
<b>Jul-07</b>	21,503	50,880	206,323	28,539	0	0	307,245
<b>Aug-07</b>	21,350	50,809	206,761	28,831	0	0	307,751
<b>Sep-07</b>	21,297	50,755	207,421	29,129	0	0	308,602
<b>Oct-07</b>	21,215	50,684	207,642	29,459	0	0	309,000
<b>Nov-07</b>	21,114	50,578	207,967	29,795	0	0	309,454
<b>Dec-07</b>	21,046	50,501	207,924	30,096	0	0	309,567

**Membership for 2008:**

<b>Members</b>	<b>Care Basic</b>	<b>Care Supp</b>	<b>Choice Basic</b>	<b>Choice Supp</b>	<b>Select Basic</b>	<b>Select Supp</b>	<b>Total</b>
<b>Jan-08</b>	20,678	50,771	215,472	31,307	3,505	74	321,807
<b>Feb-08</b>	20,487	50,636	214,593	31,531	3,762	75	321,084
<b>Mar-08</b>	20,319	50,544	213,948	31,819	3,960	79	320,669
<b>Apr-08</b>	20,236	50,421	214,153	32,044	4,141	81	321,076
<b>May-08</b>	20,178	50,313	213,827	32,313	4,264	81	320,976
<b>Jun-08</b>	20,084	50,207	214,121	32,579	4,380	86	321,457
<b>Jul-08</b>							
<b>Aug-08</b>							
<b>Sep-08</b>							
<b>Oct-08</b>							
<b>Nov-08</b>							
<b>Dec-08</b>							